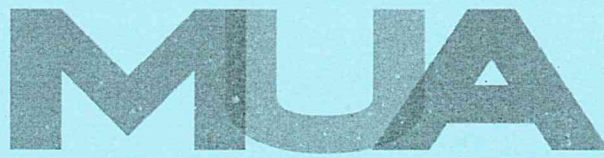


The
Management
University
of Africa



Sponsored by the Kenya Institute of Management

UNDERGRADUATE UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP

BMT 401 : MANAGERIAL DECISION MAKING

DATE: 17th JULY 2017

DURATION: 2 HOURS

MAXIMUM MARKS: 70

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. Write all your answers in the Examination answer booklet provided.

QUESTION ONE

Read the Case Study below carefully and answer the questions that follow:

THE CURTAIN FALLS

It's been called one of "the entertainment industry's biggest programming debacles." Jay Leno moved from host of the "Tonight Show" to his own talk show, "The Jay Leno Show," which aired at the 10 p.m. weeknight time slot. Conan O'Brien was brought on as Leno's replacement on the "Tonight Show," which has always aired after the local news.

The Jay Leno-Conan O'Brien fiasco started with a decision by NBC executives to save some money by giving Leno one of the oldest formats in TV programming: a comedy-variety show with a comedian, a stage, guests, and in-show ads. But that decision was also a radical experiment based on a single show airing every single weeknight during prime time on a major broadcast network. This format was cheaper to produce for an entire week than 60 minutes of the pricey scripted dramas that are usually broadcast during that time period. Jeff Gaspin, chairman of television entertainment at NBC Universal, said, "I don't think it's wrong to take chances. . . . Sometimes they work. Sometimes they don't." And this decision wasn't working

It all started to unravel when ratings for Leno's talk show were low and continued to sink. One media analyst said, "Nobody's happy—the talent isn't happy, the advertisers aren't happy, and the audience isn't happy."

Local network affiliates that rely on that 10 p.m. slot to lead people into the late local news rebelled. Those affiliates threatened to preempt Leno's show with other programming. But that wasn't NBC's only problem. O'Brien's "Tonight Show" also was doing poorly in its time slot, losing resoundingly to "Late Show with David Letterman" on CBS for the first time in 15 years.

NBC executives continued to struggle with decision making. It took nearly two weeks of a very public spectacle for them to craft a solution in which Leno returned to his

gig at the "Tonight Show" and O'Brien left with a \$40 million agreement to walk away from "his dream job." And so the curtain closes on a story NBC executives wish had never been written.

Adopted from Management 11th Edition by P Robbins and Mary Coulter (2012), Pearson Education, Inc., publishing as Prentice Hall, One Lake Street, Upper Saddle River, New Jersey

Required:

- a) Would you characterise television decisions as structured or unstructured? Explain. **(3 Marks)**
- b) What type of decision making condition do you consider this to be? Explain. **(3 Marks)**
- c) What criteria did NBC use in evaluating its initial decision to move Leno and O'Brien? Was that criteria appropriate? Why or why not? **(3 Marks)**
- d) Evaluate Jeff Gaspin's statement, "I don't think it's wrong to take chances... Sometimes they work. Sometimes they don't." What does it say about his decision-making style? **(4 Marks)**
- e) Explain how NBC executives could have used each of the following to make better decisions:
 - i. Rationality **(3 Marks)**
 - ii. Bounded rationality **(3 Marks)**
 - iii. Intuition **(3 Marks)**
 - iv. Evidence Based Management **(3 Marks)**

QUESTION 2

- a) Jane is an administrator of a private primary school in Isiolo County. Explain the decision making process that Jane may follow in purchasing laptop computers for the teachers in upper primary. **(9 Marks)**
- b) Highlight six characteristics of an effective decision making process. **(6 Marks)**

QUESTION 3

- a) Explain six ways in which biases affect decision making. **(9 Marks)**
- b) Explain three ways managers can improve their decision-making skills. **(6 Marks)**

QUESTION 4

- a) Although everyone in an organization makes decisions, decision making is particularly important to managers. Explain why decision making is the essence of management. **(10 Marks)**
- b) Distinguish between decision making and problem solving. **(5 Marks)**

QUESTION 5

Explain five features of each of the following decision making models

- a) The Rational Model. **(5 Marks)**
- b) The Organizational Model. **(5 Marks)**
- c) The Political Model **(5 Marks)**

QUESTION 6

- a) Organisations often use groups in decision making. Explain three Classifications of decision-making groups that an organization may use. **(6 Marks)**
- b) Discuss the strategic decision making process. **(9 Marks)**